Message Text

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PAGE 01 KINGST 03135 151904Z ACTION ARA-14

INFO OCT-01 ISO-00 H-02 EB-07 COME-00 AGRE-00 SP-02 INR-07 NEA-10 OPIC-06 TRSE-00 L-03 /052 W

-----152317Z 080813 /65

R 151810Z JUN 77 FM AMEMBASSY KINGSTON TO SECSTATE WASHDC 5808

UNCLAS KINGSTON 3135

DEPARTMENT FOR ARA/CAR HENDERSON

H PASS TO SENATOR HARRISON A. WILLIAMS

E.O. 11652: N/A TAGS: EGEN, JM

SUBJECT: CONGRESSIONAL INTEREST: IRAN SUGAR DEAL

BEGIN QUOTE:

DEAR SENATOR WILLIAMS:

AMBASSADOR GERARD LEFT JAMAICA JUST BEFORE YOUR LETTER OF MAY 4 ARRIVED. I TAKE THE LIBERTY OF RESPONDING ON HIS BEHALF.

YOU WROTE WITH RESPECT TO A COMPLAINT BY ONE OF YOUR CONSTITUENTS, MR. STANLEY H. COOPER OF MCADAM PROPERTIES, INC. WHO IS EXPERIENCING DIFFICULTIES WITH THE GOVERNMENT OF JAMAICA.

UNFORTUNATELY, THE ISSUE IN WHICH MR. COOPER IS INVOLVED IS ONE OF THE MOST POLITICALLY SENSITIVE MATTERS IN JAMAICA TODAY. THE NEGOTIATION BY MCADAM PROPERTIES INVOLVES A LARGE, AND AS YET UNFULFILLED, CONTRACT FOR THE SALE OF SUGAR FROM JAMAICA TO IRAN. UNCLASSIFIED

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SINCE THE SALE BEGAN TO BREAK DOWN MANY MONTHS AGO, THERE HAVE BEEN NUMEROUS ALLEGATIONS OF PAY-OFFS AND CORRUPT PRACTICES INVOLVING SOME OF THE PRINCIPALS IN THE TRANSACTION. THE GOVERNMENT OF JAMAICA HAS COME UNDER CONSIDERABLE CRITICISM AND PRESSURE OVER THE PAYMENTS MADE TO MCADAM PROPERTIES.

IN SEPTEMBER 1975 THE GOVERNMENT OF JAMAICA TAX COMMISSIONER IMPOSED A 25 PERCENT TAX ON THE PROFITS OF MCADAM PROPERTIES. AS IS NOTED BY MR. COOPER, THIS ROUGHLY APPROXIMATES THE REMAINING BALANCE OWED BY THE GOVERNMENT OF JAMAICA TO MCADAM PROPERTIES AND THESE PAYMENTS HAVE BEEN FROZEN. THE TAX RULING WAS SUBSEQUENTLY APPEALED TO THE REVENUE COURT WHICH SET ASIDE THE APPEAL. WE UNDERSTAND A FURTHER APPEAL IS NOW BEING MADE TO THE JAMAICA COURT OF APPEALS.

PENDING LEGAL RESOLUTION OF THE MATTER, THERE IS LITTLE THAT CAN BE DONE. WE WILL BE FOLLOWING THE PROGRESS OF THE CASE HERE AND WILL KEEP YOU INFORMED OF DEVELOPMENTS.

I REGRET WE CAN NOT BE MORE HELPFUL AT THIS TIME.

SINCERELY,

JOHN C. DORRANCE CHARGE D'AFFAIRES, A.I.

END QUOTE

DORRANCE

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Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: SUGAR, SALES, NEGOTIATIONS, CONTRACTS

Control Number: n/a

Copy: SINGLE Sent Date: 15-Jun-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am Decaption Note:

Disposition Action: n/a Disposition Approved on Date: Disposition Case Number: n/a Disposition Comment:

Disposition Date: 01-Jan-1960 12:00:00 am Disposition Event:

Disposition Event:
Disposition Reason:
Disposition Remarks:
Document Number: 1977KINGST03135
Document Source: Core

Document Unique ID: 00 Drafter: n/a

Enclosure: n/a Executive Order: N/A Errors: N/A

Expiration: Film Number: D770214-0545 Format: TEL From: KINGSTON Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19770655/aaaabwbo.tel

Line Count: 86 Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM

Message ID: bd24777c-c288-dd11-92da-001cc4696bcc

Office: ACTION ARA

Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 2
Previous Channel Indicators: n/a Previous Classification: n/a
Previous Handling Restrictions: n/a

Reference: n/a

Retention: 0 Review Action: RELEASED, APPROVED Review Content Flags: Review Date: 12-Nov-2004 12:00:00 am

Review Event: Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a

Review Transfer Date: Review Withdrawn Fields: n/a

SAS ID: 2145970 Secure: OPEN Status: NATIVE

Subject: CONGRESSIONAL INTEREST: IRAN SUGAR DEAL BEGIN QUOTE: DEAR SENATOR WILLIAMS

TAGS: EGEN, ETRD, JM, US, IR, MCADAM PROPERTIES INC, (COOPER, STANLEY H)

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/bd24777c-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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